

Service Date: November 19, 1985

DEPARTMENT OF PUBLIC SERVICE REGULATION  
BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MONTANA

IN THE MATTER Of The Application	)	UTILITY DIVISION
Of BUTTE WATER COMPANY for Auth-	)	DOCKET NO. 85.7.28
ority to Increase Rates and	)	ORDER NO. 5164
Charges for Water Service to its	)	
Butte, Montana customers.	)	

INTERIM RATE ORDER

FINDINGS OF FACT

1. On July 17, 1985, Butte Water Company (Applicant or BWC) filed an application with this Commission for authority to increase water rates and charges for its Butte, Montana customers on a permanent basis by approximately 14.31%, for a revenue increase of approximately \$430,840.

2. On October 15, 1985, BWC filed an application for and interim rate increase of approximately 5.8%, for a \$175,265, or 40.7% of the proposed permanent increase.

3. The Commission's interim rules require a clear showing that the petitioning utility is suffering a obvious income deficiency. The Commission, because of the pending sale of BWC by Anaconda Minerals to the Washington Corp., cannot determine if the utility is suffering an obvious income deficiency. The Commission's inability to determine BWC's financial condition stems from a lack of information relative to changes that may occur to such items as; rate base, capital structure, cost of debt, cost of equity, etc., with

the change in ownership.

4. Based upon the preceding Finding of Fact the Commission finds that BWC's request for interim rate relief should be denied. If the Applicant submits financial data reflecting the changes resulting from the sale of BWC, the Commission will accept the filing of a new request for interim rate relief.

#### CONCLUSIONS OF LAW

1. The Butte Water Company is a public utility furnishing water service to customers in the Butte area, and is subject to the supervision, regulation and control of the Montana Public Service Commission, pursuant to Section 69-3-102, MCA.

2. Section 69-3-304, MCA, provides in part, "The Commission may, in its discretion, temporarily approve increases...pending a hearing or final decision," and that such increases are subject to rebate.

3. The Commission concludes that the denial of the interim rate increase requested herein is just, reasonable and within the discretion granted by Section 69-3-304, MCA.

#### ORDER

THEREFORE THE MONTANA PUBLIC SERVICE COMMISSION ORDERS THAT:

1. The Butte Water Company is hereby denied authority to

implement, on an interim basis, increased rates for its Butte, Montana customers, designed to generate additional annual revenues in the amount of \$175,265.

DONE IN OPEN SESSION 12thday of November, 1985 by a vote of 5 to 0.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

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CLYDE JARVIS, Chairman

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HOWARD L. ELLIS, Commissioner

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TOM MONAHAN, Commissioner

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DANNY OBERG, Commissioner

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JOHN B. DRISCOLL, Commissioner

ATTEST:

Trenna Scoffield  
Secretary

(SEAL)

NOTE: Any interested party may request the Commission to reconsider this decision. A motion to reconsider must be filed within ten (10) days. See 38.2.406, ARM.